

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

98

February 25, 2003

FROM: JOHN F. MICHAELSON
County Administrative Officer

**SUBJECT: STRUCTURAL REORGANIZATION AND TRANSITION OF CALWORKS DIVISION
FROM THE JOBS AND EMPLOYMENT SERVICES DEPARTMENT INTO THE
TRANSITIONAL ASSISTANCE DEPARTMENT EFFECTIVE FEBRUARY 25, 2003.**

RECOMMENDATION:

1. Approve transfer of the CalWORKs function from the Jobs and Employment Services Department to the Transitional Assistance Department.
2. Approve the transfer of the positions between the Jobs and Employment Services budget (SAC JOB) and the HSS Administrative budget (AAA DPA) in accordance with the Position Distribution List (Attachment A), on file with the Clerk of the Board of Supervisors, effective March 8, 2003.
3. Authorize the addition of one new position classified to Deputy Director, Transitional Assistance, Exempt Group, R68 (\$60,154 - \$76,898), to the Transitional Assistance Department.
4. Delete position 04094, Chief Deputy, Jobs and Employment Services, Exempt Group, R69 (\$61,630 - \$78,832).
5. Delete the classification Chief Deputy, Jobs and Employment Services.
6. Approve indicated salary changes as a Minute Order Amendment to the Salary Ordinance: Director of Transitional Assistance, Exempt Group, from \$103,239 annually to \$109,273 annually effective March 8, 2003, to \$112,551 annually effective July 12, 2003, and to \$115,927 effective July 10, 2004.
7. Approve indicated salary changes as a Minute Order Amendment to the Salary Ordinance: Director of Jobs and Employment Services, Exempt Group, from \$98,377 annually to \$94,500 annually effective March 8, 2003, to \$97,335 annually effective July 12, 2003, and to \$100,255 effective July 10, 2004.

BACKGROUND INFORMATION: In March 2000, the County of San Bernardino Board of Supervisors adopted amendments to various ordinances regarding organizational structure. Specifically, Ordinance 12.252 established that the Jobs and Employment Services Department (JESD), formerly under the Human Services System (HSS), would become an organizational unit under the Economic Development and Public Services Group (EDPSG).

Page 1 of 3

Record of Action of the Board of Supervisors

98

**STRUCTURAL ORGANIZATION AND TRANSITION THE JOBS AND EMPLOYMENT SERVICES
DEPARTMENT – CALWORKS DIVISION INTO THE TRANSITIONAL ASSISTANCE DEPARTMENT
EFFECTIVE FEBRUARY 25, 2003.**

February 25, 2003

Page 2 of 3

98

The purpose of this item is to organizationally bring the CalWORKs operational division of JESD back under the direction of HSS and TAD. As HSS and TAD currently administer budgetary responsibility for this division, bringing the CalWORKs operational function back under HSS will allow for centralized management of the CalWORKs Single Allocation.

Approval of this reorganization still enables EDPSPG to continue utilizing U.S. Department of Labor Workforce Investment Funds to meet the overall economic development objectives for San Bernardino County.

Goals of the proposed reorganization are to provide centralized oversight of allocated funds, effectively monitor expenses incurred for current mandated services, plan for future State budget reductions and implement strategies that may encompass a consolidation of administrative facilities, supplies, services and workforce.

HSS is the designated administrative entity for the CalWORKs Single Allocation Administrative funds. JESD delivers "Welfare-to-Work" services to CalWORKs clients utilizing the Welfare-to-Work Employment Services funding, a component of the Single Allocation. TAD makes eligibility determinations, directs clients to programs for additional services and provides for basic living subsistence such as rent, utility payments and clothing. As a condition for receiving subsidies, many TAD clients are directed to participate in CalWORKs services through JESD in order to become self-sufficient and to ensure the County of San Bernardino meets or exceeds the CalWORKs Work Performance Rate (WPR). Services provided under CalWORKs include, but are not limited to; Adult Basic Education (ABE), General Equivalency Diploma (GED), English as Second Language (ESL), unpaid work experience and employment services.

In FY 02/03 the CalWORKs Single Allocation funding was cut 11%, from \$126,895,747 in FY 01/02 to \$113,433,012 in FY 02/03. Additionally, unspent incentive funds, approximately \$25 million, which can only be utilized to support those programs under the CalWORKs Single Allocation, will be unavailable beginning FY 03/04. As a result of these reductions a need exists to provide mandated services with fewer resources, while also meeting the additional costs associated with retirement contributions and MOU increases. These additional costs are anticipated to increase the budget shortfall by approximately \$25 million for FY 03/04 for a total anticipated shortfall of approximately \$50 million.

In anticipation of further reductions to the allocation in FY 03/04, all HSS departments are developing 30% spend-down plans. Impacts to HSS as a result of these plans are pending. It should be noted that HSS is working proactively with all departments, including JESD, in an effort to minimize workforce reductions in FY 03/04 and reduce expenditures. Additionally, HSS is working to consolidate buildings, reduce services, supplies and fixed asset purchases, and reduce contracted services.

Approval of Recommendation No. 1 will allow for the transition of the CalWORKs function currently administered under JESD into TAD. This recommendation will result in no changes to appropriations, but will result in an immediate shift of operational function oversight from JESD to HSS and TAD for FY 02/03. Furthermore, based on the anticipated shortfall described above, HSS developed projections that included reducing levels in the CalWORKs (JESD) workforce by at least 157.5 Full Time Equivalents (FTE's). These minimum reductions result in approximate salary savings of \$7.5 million dollars to the FY 03/04 HSS Administrative budget.

98

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Page 3 of 3

98

Approval of Recommendation No. 2 will allow for the transition of positions listed in the Position Distribution List, (Attachment A) on file with the Clerk of the Board. The allocation of positions in the Position Distribution List, is based on JESD's proposal and has been reviewed by the San Bernardino Public Employees Association and approved by Human Resources. The total of staff proposed to transition from JESD to TAD is approximately 600. The composition of staff transitioning includes line staff, clerical support, information technology, fiscal, program and management. HSS, TAD and JESD have negotiated an MOU (see Attachment B) identifying the linkage between the CalWORKs services function (e.g. ABE, GED, ESL) and the employment functions provided by Workforce Investment Act (WIA) job placement and development staff.

Approval of Recommendations 3, 4, and 5 will allow for appropriate reorganization of the senior management structure to include a Deputy Director over the CalWORKs functions as a direct report to the Director of Transitional Assistance, comparable to other Deputy Director positions within TAD. The position of Chief Deputy Jobs and Employments Services will be deleted, as it is no longer the appropriate classification after the transition. These recommendations will result in budgeted salary savings of \$1,476 annually.

Recommendation 6 authorizes an increase in compensation for the Director of Transitional Assistance. This recommendation is based on the results of a Human Resources study that reviewed the additional duties, staff, and comparable classifications elsewhere in San Bernardino County and in similar surrounding counties. Recommendation number 7 authorizes a decrease in compensation for the Director of Jobs and Employment Services. This recommendation is based on a study by Human Resources that reviewed the new responsibilities of the position and comparable classifications in other counties.

REVIEW BY OTHERS: This item was reviewed by County Counsel, Andrew Hartzell, Deputy County Counsel on (January 24, 2003); Human Resources, Linda Matthews, Classification Manager on (January 24, 2003); Human Services System, Kristin Letterman, Administrative Manager on (January 28, 2003); and, County Administrative Office, Gary Morris, Administrative Analyst on (January 28, 2003).

FINANCIAL IMPACT: Funds for impacted programs and positions are included in the HSS Administrative (AAA-DPA) FY 02/03 budget. There are no additional costs associated with Recommendations 1 through 4 for FY 02/03. Recommendations 3 and 4 will result in annual salary savings of \$1,476 annually to the AAA-DPA budget. The annual increase resulting from approval of Recommendation 6 is approximately \$6,000 annually. The HSS Administrative budget for FY 02/03 contains sufficient funding to cover the increased salary cost.

Funds for impacted programs and positions are included in the JESD (SAC JOB) FY 02/03 budget. Recommendation 7 shall result in an annual salary savings in FY 02/03 of \$3,877 to the SAC JOB budget. There is no local cost.

SUPERVISORIAL DISTRICT(S): ALL

PRESENTERS: Carol L. Anselmi, Assistant County Administrator-Human Services System
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98